An aerial photograph of the Miami skyline, showing numerous high-rise buildings and the surrounding urban landscape. The image is slightly faded to serve as a background for the text.

Economic Situation Assessment: Miami-Dade County South Florida Workforce Investment Board

**Strategic Planning Workshop
June 2nd 2012**

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Overview of Economic Conditions (1)

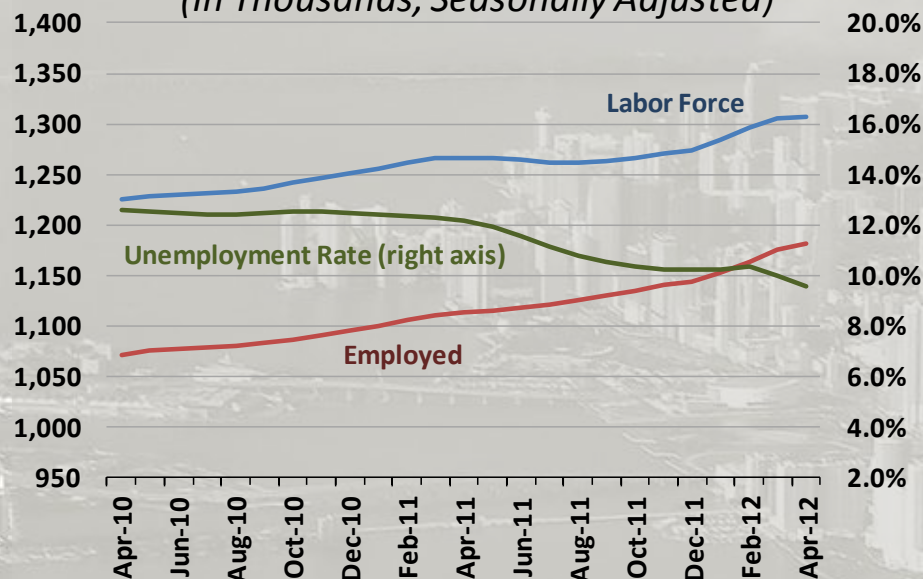
- Local economic indicators showing positive momentum in the 1st quarter, but some indicators showing signs of a slowdown in growth pace.
 - Unemployment rates continues to fall as employment increasing faster than labor force growth.
 - Payroll jobs also increasing but at a slower rates since January
 - Existing home sales have continued to grow steadily even though prices have not yet begun a consistent rebound
 - Completed residential foreclosure are up, but initial filings are down.

Overview of Economic Conditions (2)

- Commercial real estate (excluding Office) showing strength (vacancy rates down, lease rates up)
- Taxable sales are higher with total sales (SA) growing to \$3.4 billion in March (+7.2% y/y).
- Value of int'l trade grew 12% y/y, but pace of growth slowed in the 1st quarter
- Domestic and international passenger arrivals have been growing at MIA (y/y and m/m)
- Overnight visitors rising, hotel occupancy is strong, room rates substantially higher recently.
- National and global factors suggest not much likelihood for significant acceleration of growth in 2nd half of 2012

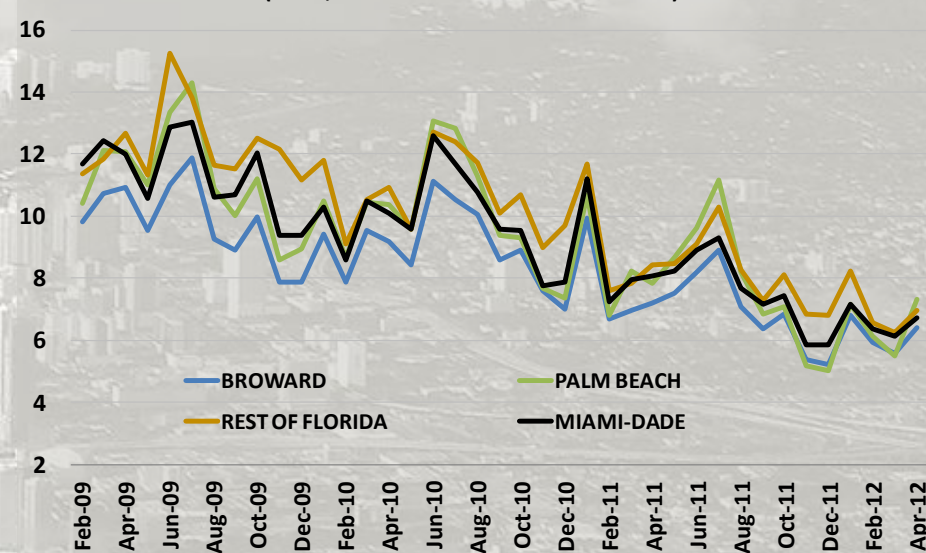
General Labor Market Conditions

Labor Force, Employment & Unemployment
(In Thousands, Seasonally Adjusted)



Data Source: Bureau of Labor Statistics

Initial Unemployment Claims
(Per 1,000 Workers in the Labor Force)



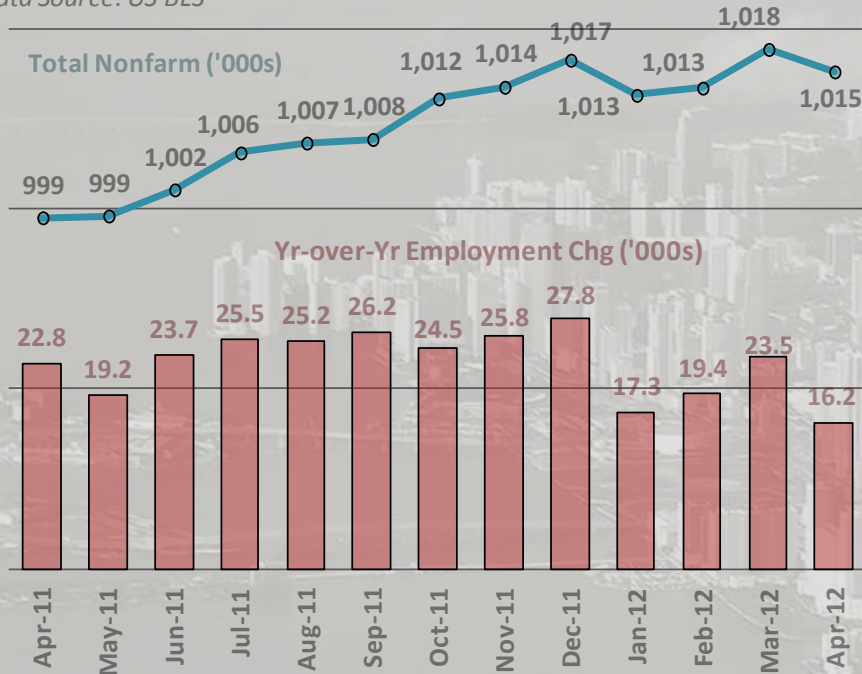
Data Source: Florida Agency for Workforce Innovation, EDIT.

- April 2012 unemployment 9.6% vs. 12.1% one year ago.
- Unemployment rates have been falling even as the labor force has been growing.
- Employed residents higher by 69,000; unemployed lower by 28,500 in 12 months ending in April
- Initial unemployment claims on negative trend until Dec 2011, but flat since in 1Q.

Labor Market Conditions, continued

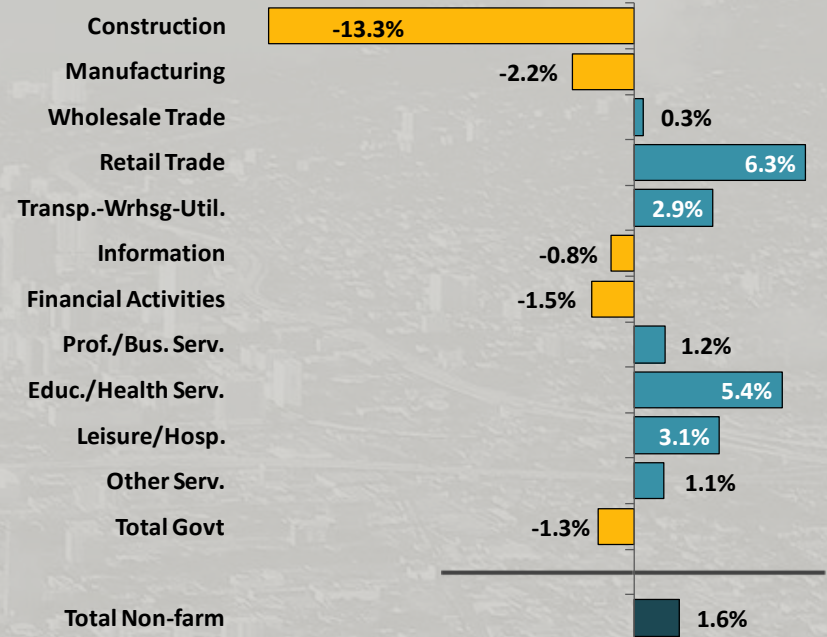
Payroll Employment (SA)

Data Source: US BLS



Miami-Dade Payroll Employment

% Change April 2012 over April 2011

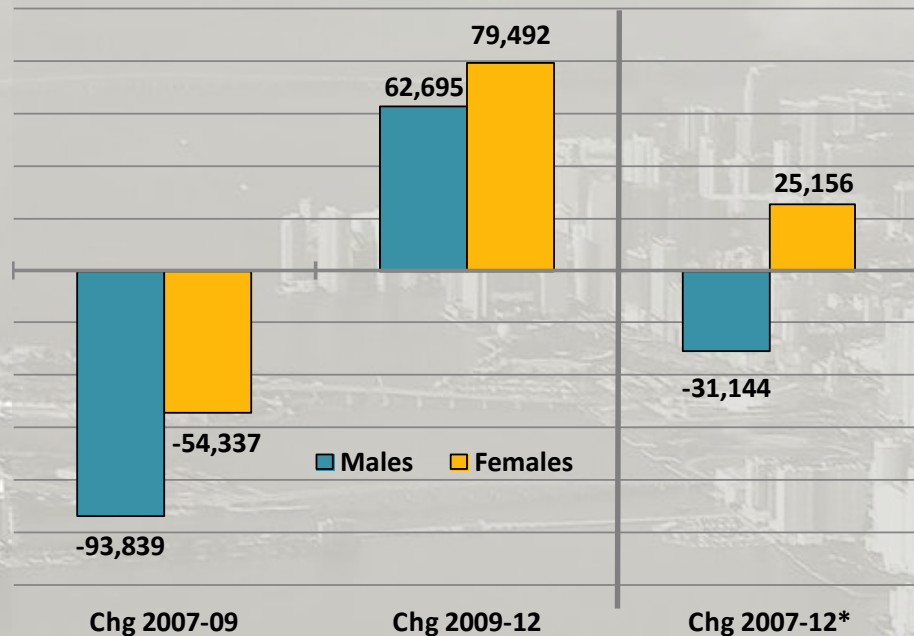


Data Source: U.S. Bureau of Labor Statistics, OEDIT.

- April 2012 payroll employment up 16,200 (+1.6%) vs. last year.
- Bad weather in April mostly responsible for 7% (2,100) decline in construction jobs compared to March.
- Manufacturing job losses have practically stopped since December

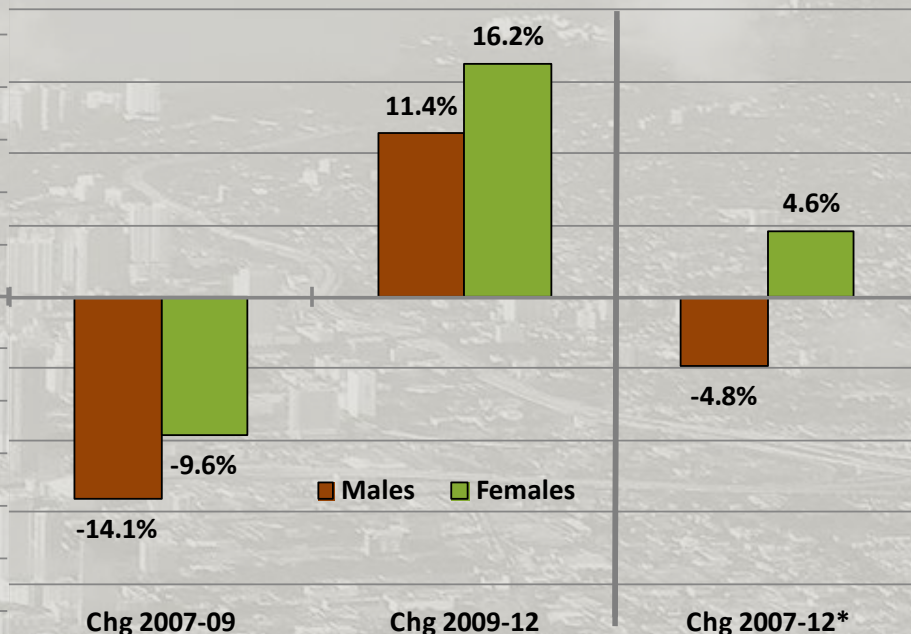
Gender Gaps in MDC Labor Market

Change in Employment by Gender



Data Source: Current Population Survey.* 2012 data is the average of the 12 months ending in March. All other years average the 12 months ending in December.

% Change in Employment by Gender

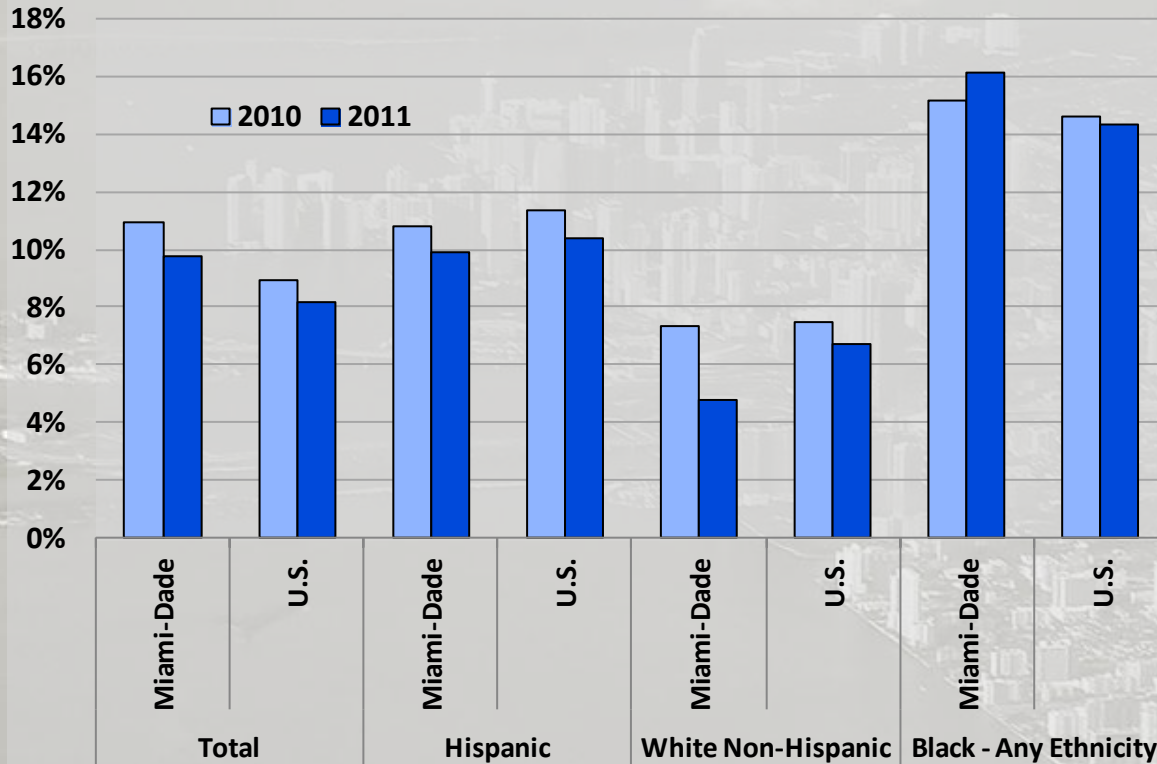


Data Source: Current Population Survey.* 2012 data is the average of the 12 months ending in March. All other years average the 12 months ending in December.

- Men lost more jobs than women during the recession in relative and absolute terms.
- Women gained more jobs than men during the recovery. The average employment among women in 12 mo. ending in March was 5% higher than in 2007.

Race/Ethnicity Gaps in Unemployment

Unemployment Rates by Race & Ethnicity

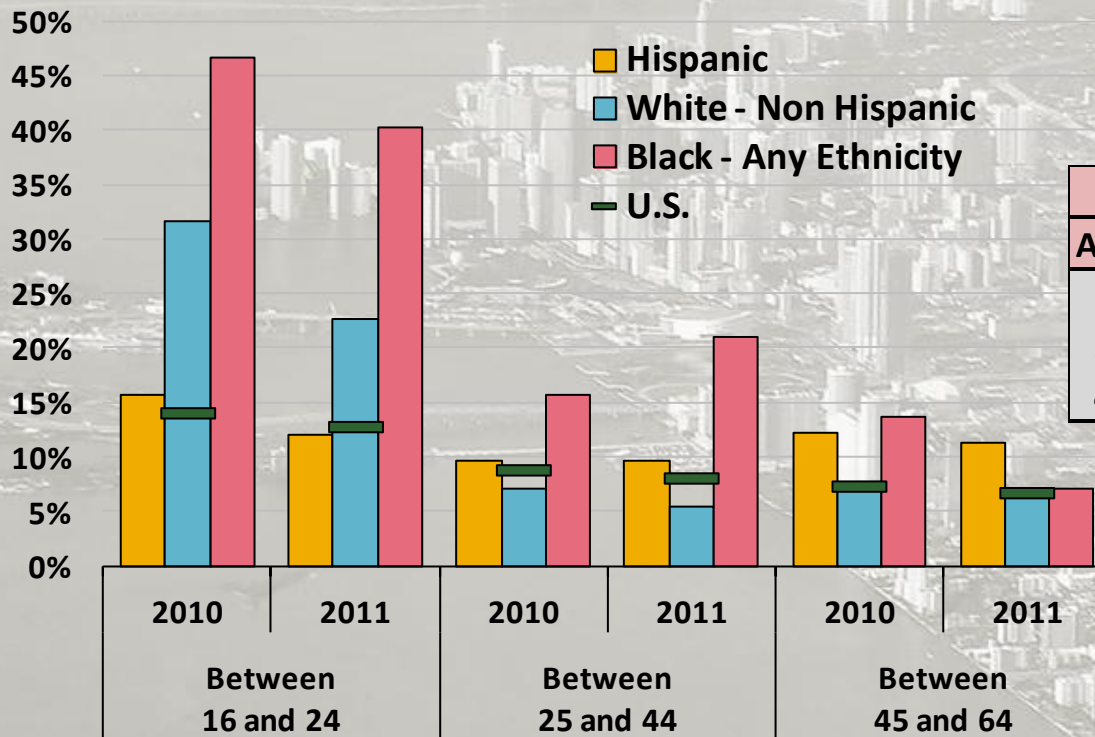


2011 Unemployment Rates		
	MDC	US
Total	9.8%	8.2%
Black	16.1%	14.3%
Hispanics	9.9%	10.4%
White, NH	4.8%	6.7%

Data Source: U.S. Census Current Population Survey.

Age Gaps in Unemployment Rates

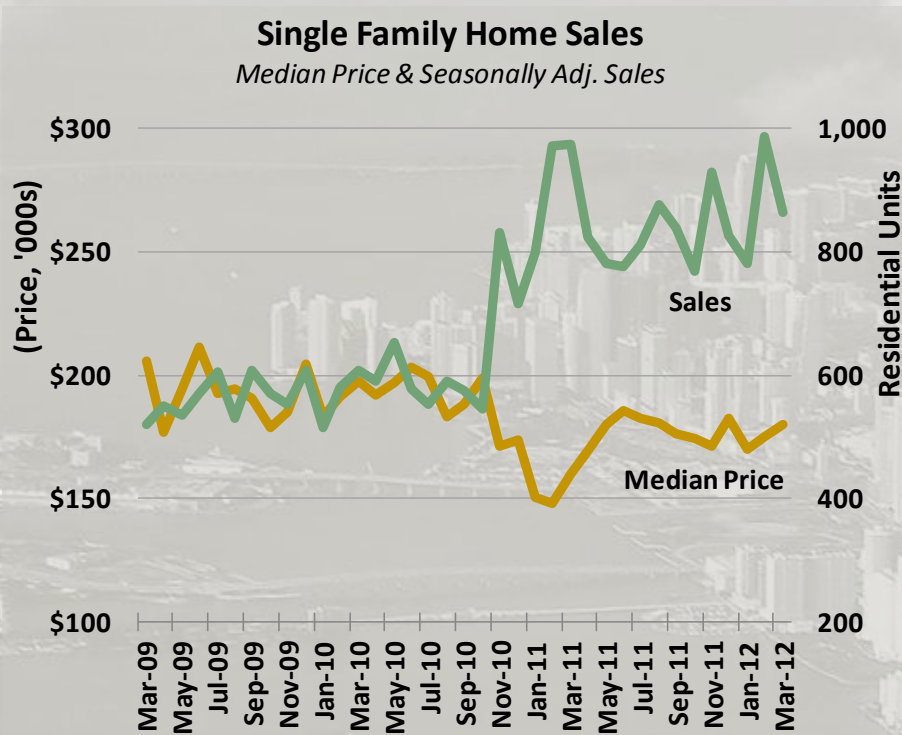
**Miami-Dade Unemployment Rate
by Age, Race and Ethnicity**



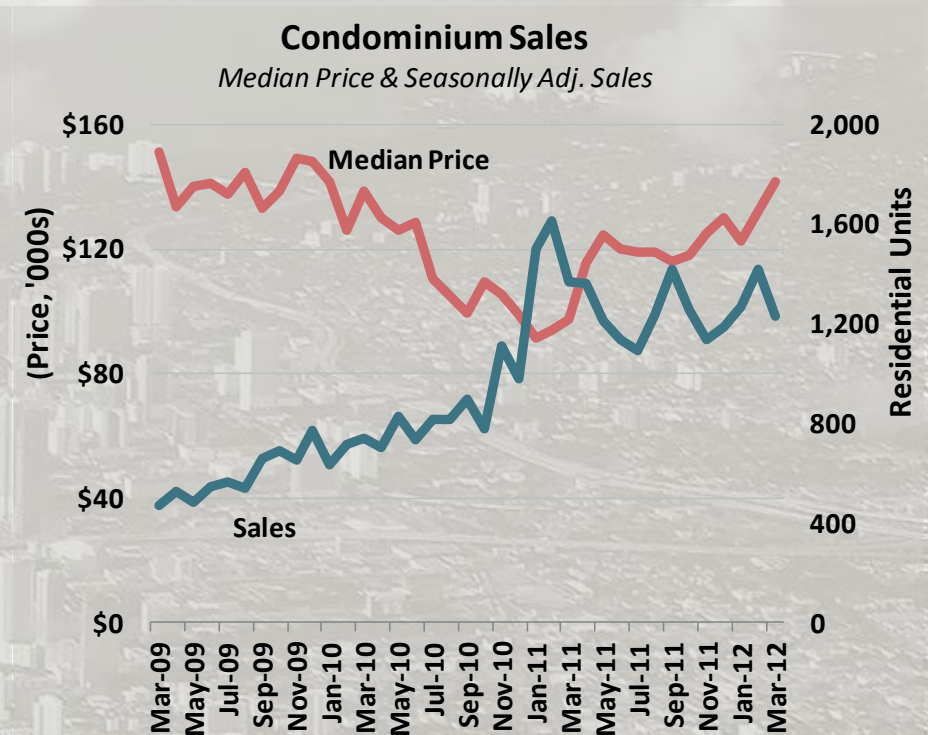
2011 Unemployment Rates Among			
Age Between:	Black	Hispanic	White, NH
16 and 24	40.2%	12.1%	22.7%
25 and 44	21.0%	9.6%	5.4%
45 and 64	7.0%	11.2%	6.8%

Data Source: U.S. Census, Current Population Survey.

Housing & Commercial Real Estate Market



Data Source: Miami Assoc. of Realtors.

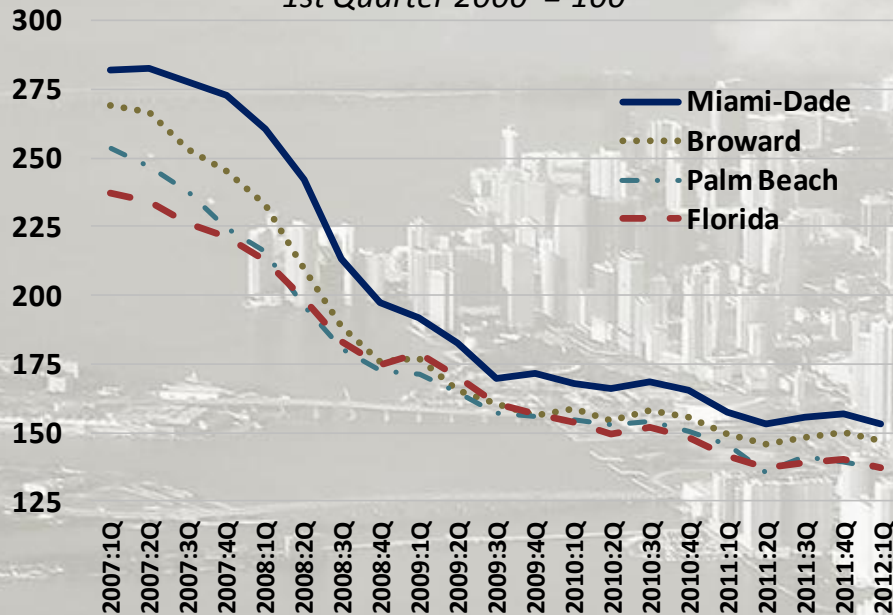


Data Source: Miami Assoc. of Realtors.

- Sales of existing SF homes better than 2009-10; prices are steady; volume up slightly.
- Condo prices on positive trend; sales volume much higher than 2009-10; prices steady.
- Access to credit getting better with help of federal programs

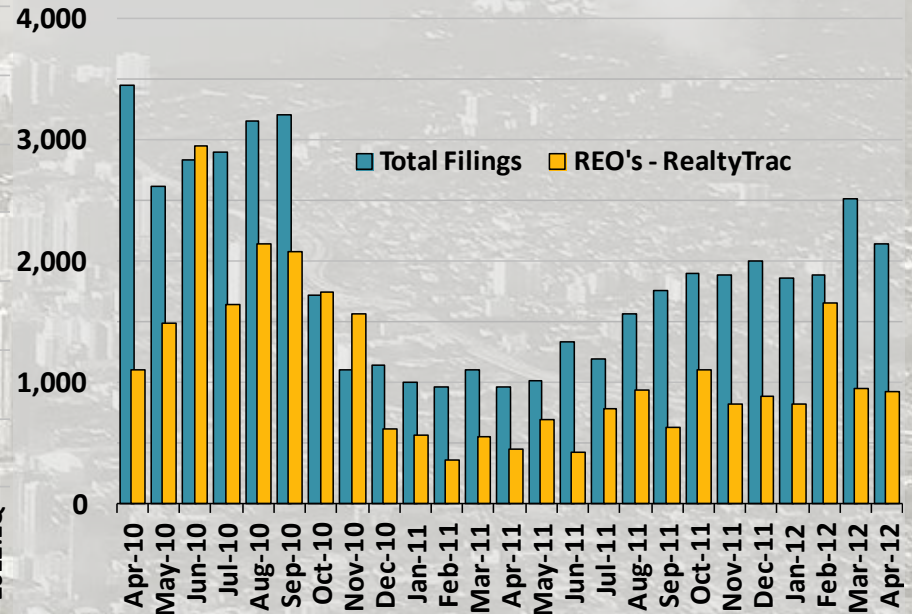
Housing & Commercial Real Estate Market

FHFA Housing Price Index
1st Quarter 2000 = 100



Data Source: Federal Housing Finance Agency

Miami-Dade Monthly Foreclosures
Filings and REO's (completions)

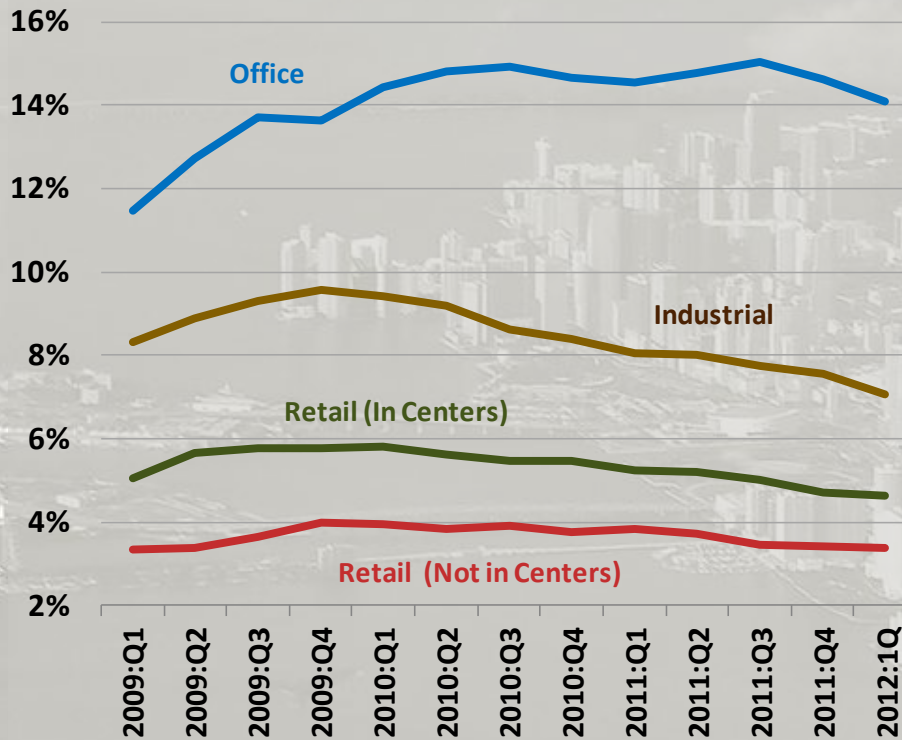


Data Sources: Miami-Dade Clerk of Courts, RealtyTrac.

- Fed. Housing Finance Agency index of same sales (SF and condos) and refinances.
- Existing home sale prices stabilized .
- Completed foreclosures (REOs) are flat, except for Feb, but initial filings may be high for some months. Average time from initial filing to REO is about 12 months.

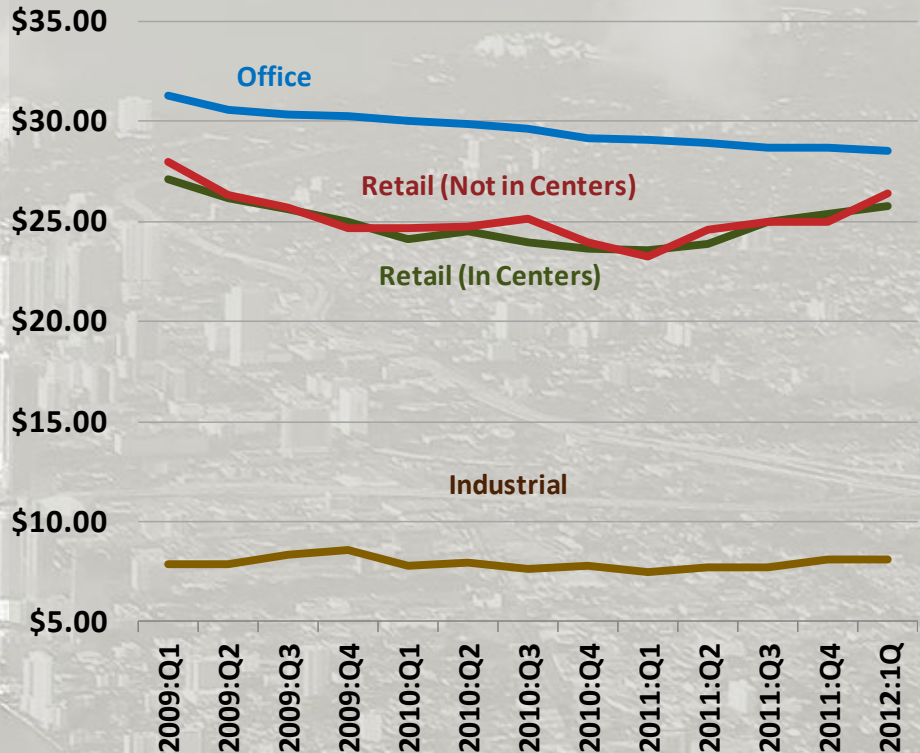
Housing & Commercial Real Estate Market

Miami-Dade Commercial Vacancy Rates



Data Source: CoStar Group

Miami-Dade Commercial Lease Rates (per SF)

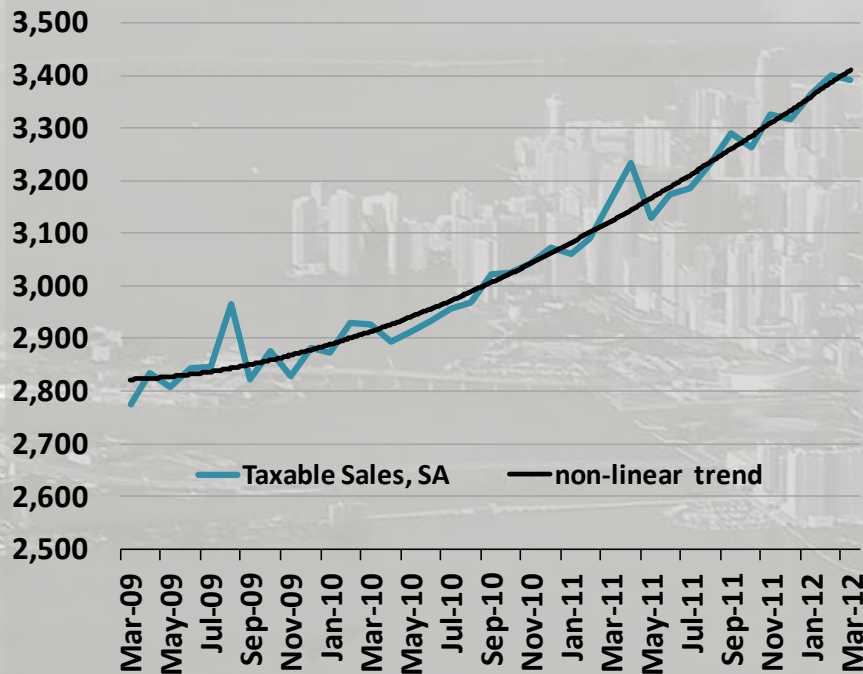


- Vacancy rates 1Q12 vs 1Q11: Office, 14.1 (14.5); Ind., 7.1 (8.1); Retail-C, 4.6 (5.2); Retail-NC, 3.4 (3.8).
- Lease rates 1Q12 vs 1Q13: Office, -2%; Ind., +9%; Retail-C, +9%; Retail-NC, +13%

Taxable Sales and Consumer Price Inflation

Miami-Dade Taxable Sales

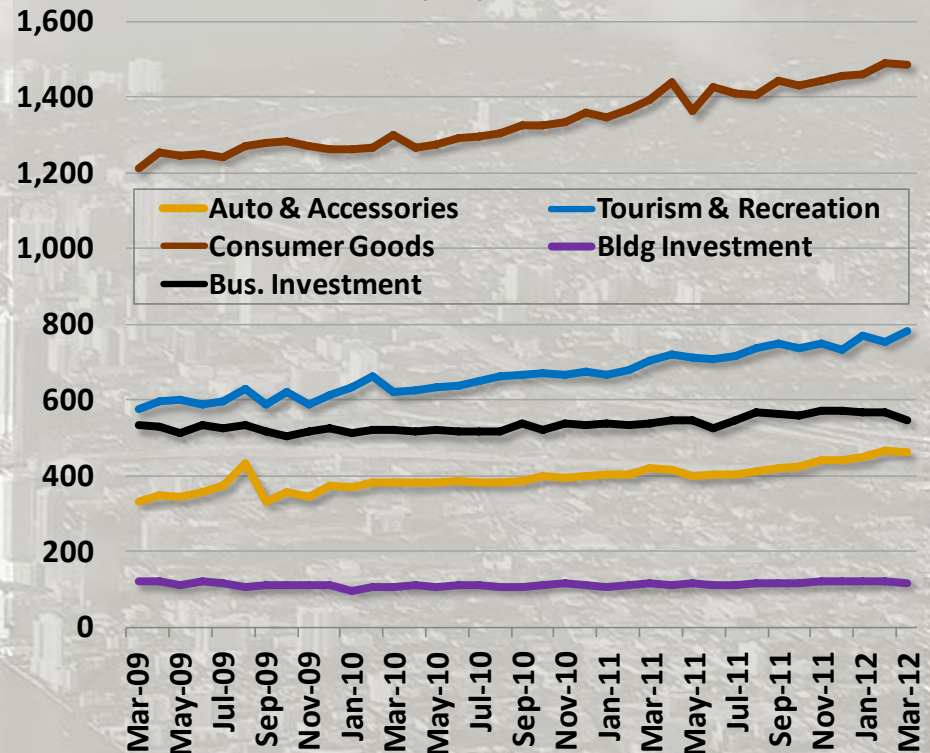
Seasonally Adjusted, Million \$



Data Source: FL Office of Econ. and Demog. Research

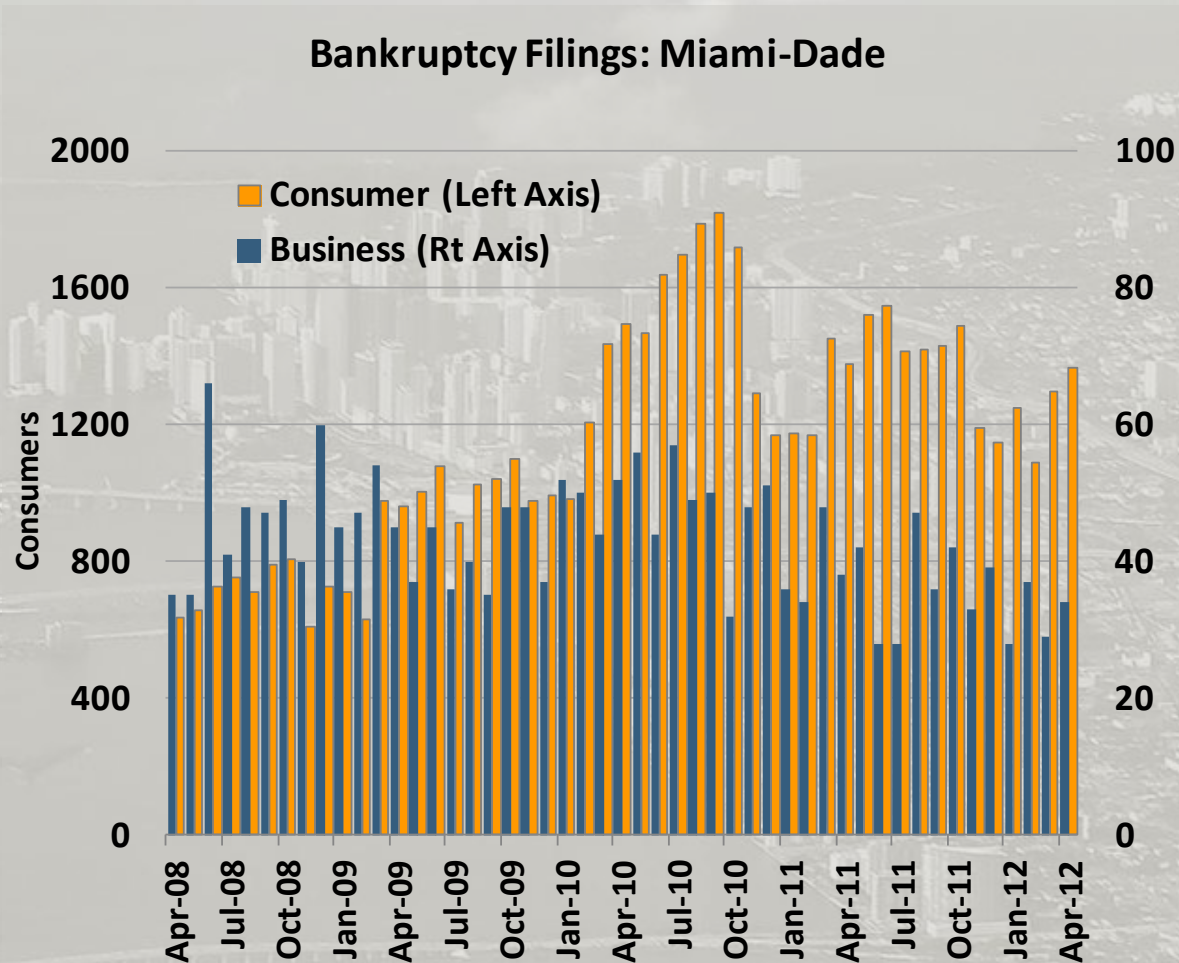
Miami-Dade County Taxable Sales

Seasonally Adjusted, Million \$



- Taxable sales very near pre-recession peak.
- Consumer goods, autos & accessories, tourism & recreation above their pre-recession peaks. Building and business investment not much above recession lows.

Miami-Dade Bankruptcies

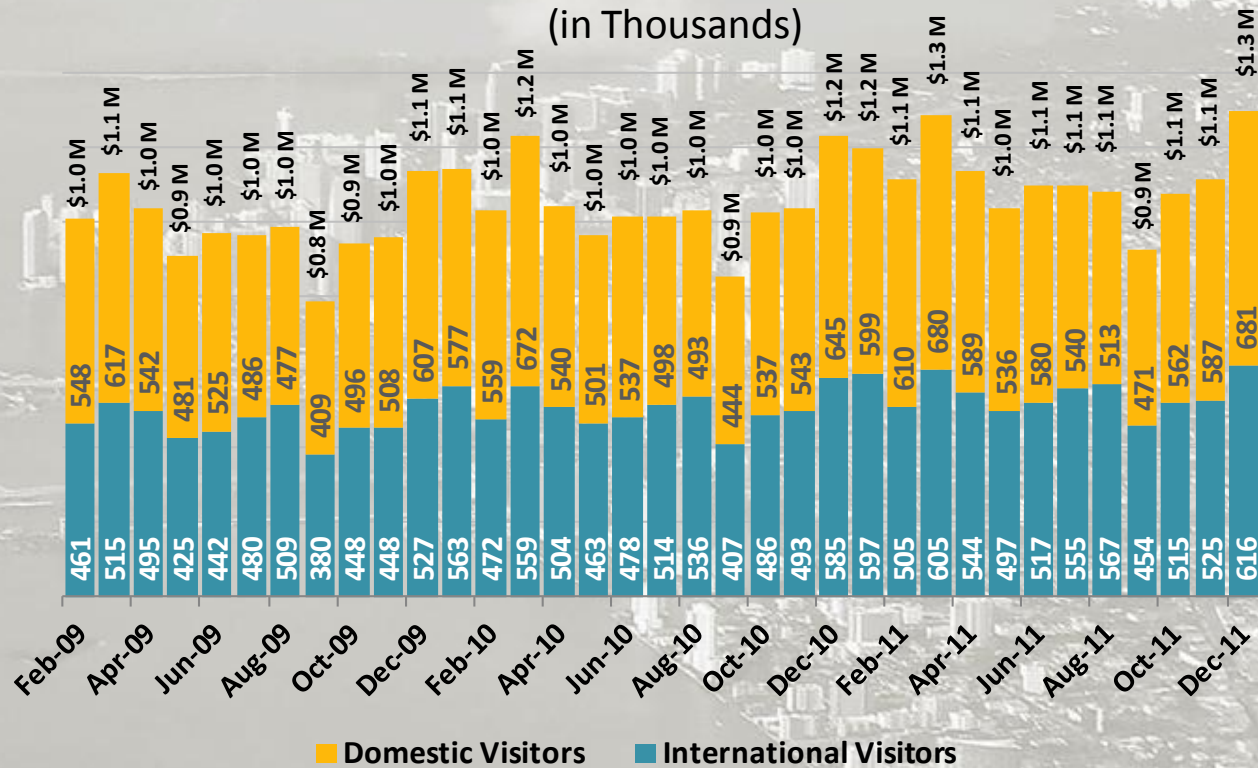


Source: U.S. Bankruptcy Court, Southern District

Miami-Dade Tourism

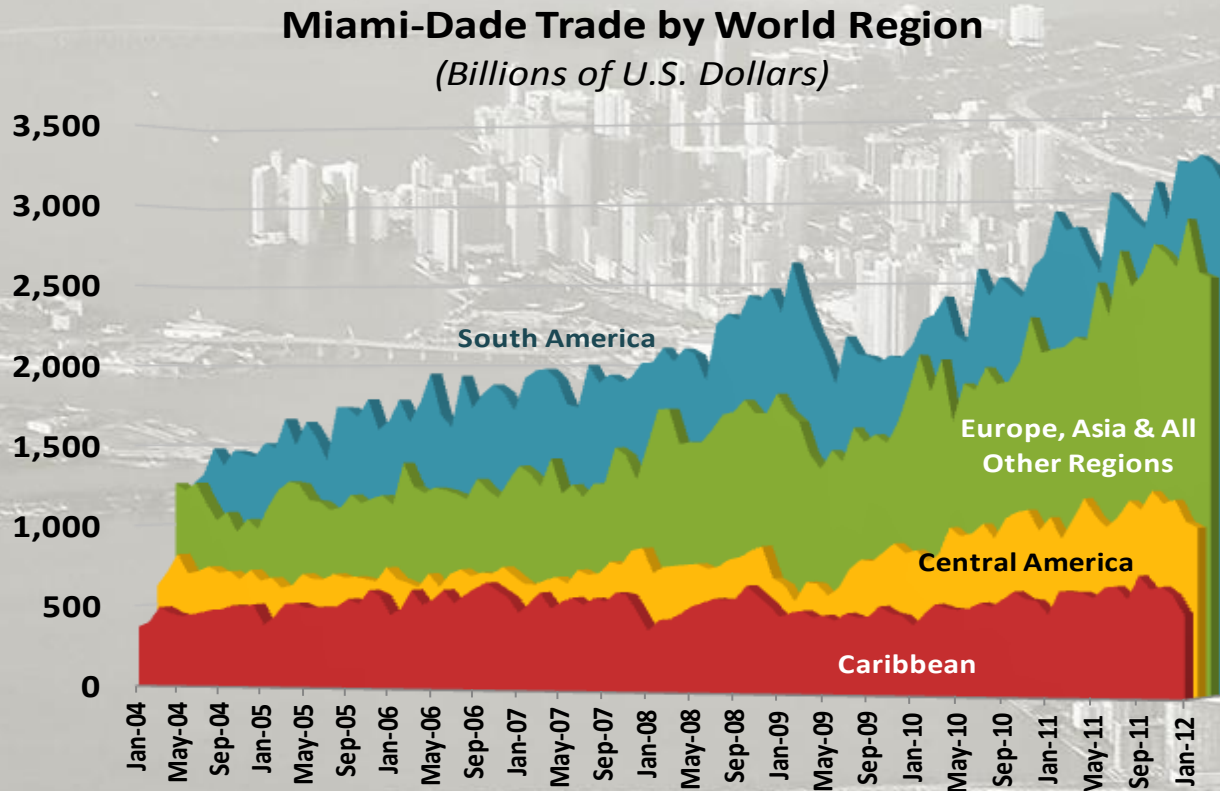
Overnight Visitors to Miami-Dade County

(in Thousands)



Data Source: Greater Miami Convention and Visitors Bureau.

Miami-Dade International Trade



Data Source: USA Trade Online.

- Int'l trade supported local economy during depth of US recession
- Imports and exports helped maintain the transport sector
- Economic support from trade partners is waning.

Risks to the Macroeconomic Outlook

- U.S. economy had a strong 4th quarter, but pace of growth slowed in the 1st quarter.
- UK is in recession as are many European economies. Economic growth in Germany and France are stalling and may fall into recession.
- China's growth rate is slowing (real estate bubble, inflation)
- Fed can't do much more to stimulate economy.
- Fiscal policy is hamstrung by gridlock. Threat of debt ceiling fight.
- Economic environment is becoming less conducive to new hiring and business investment for expansion.